

No 5-280A092

Date OCT 7 1985

Fee \$ 10.00

ICC Washington, D.C.

JOSEPH L. KELLY
OF COUNSEL

LAWSON WORRELL, JR.
RETIRED

LAW OFFICES

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RECORDATION NO. 14804 Filed 1426

OCT 7 1985 -3 25 PM

INTERSTATE COMMERCE COMMISSION

October 4, 1985

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JAMES P. ST. CLAIR

CERTIFIED

RETURN RECEIPT REQUESTED

Mr. James H. Bayne, Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Bayne:

I have enclosed four (4) original counterparts of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. I request that three of the counterparts be returned to the undersigned.

(1) This document is a Security Agreement dated October 3, 1985.

(2) This document is a "primary document" under 49 C.F.R. §1177.1.

(3) A description of the equipment covered by the document follows:

One (1) GP8 Locomotive AAR Symbol B-B
(Identification No. 1600)

One (1) GP8 Locomotive AAR Symbol B-B
(Identification No. 1603)

Each unit of equipment will be marked in letters not less than one inch in height with the words:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED WITH THE INTERSTATE COMMERCE
COMMISSION

OCT 7 3 25 PM '85
MAIL ROOM
TELETYPE UNIT
TELEPHONE UNIT
FAX UNIT
INTERSTATE COMMERCE COMMISSION

Mr. James H. Bayne, Secretary
October 4, 1985
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(4) The names and addresses of the parties to the document are as follows:

Debtor

Canonie Atlantic Co.
2429 Ferry Road
Virginia Beach, Virginia 23455
ATTN: Mr. John J. Grocki

Secured Party:

United Virginia Bank
5 Main Plaza East
Norfolk, Virginia 23501
ATTN: Mr. Thomas L. Kiehl
Senior Vice President

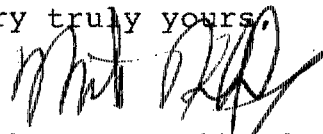
(5) A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Michael W. Hubbard, Esquire
Williams, Worrell, Kelly & Greer, P.C.
Post Office Box 3416
Norfolk, Virginia 23514

(6) A short summary of the Security Agreement to appear in the index follows:

This is a Security Agreement dated as of October 3, 1985, between Canonie Atlantic Co., 2429 Ferry Road, Virginia Beach, Virginia 23455, as Debtor, and United Virginia Bank, 5 Main Plaza East, Norfolk, Virginia 23501, as Secured Party, and covering one GP8 Locomotive, AAR Symbol B-B, numbered 1600, and one GP8 Locomotive, AAR Symbol B-B, numbered 1603.

Very truly yours,



Michael W. Hubbard

MWH/dkt
Enclosures

OCT 7

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INTERSTATE COMMERCE COMMISSION

**EQUIPMENT AND CONSUMER GOODS
SECURITY AGREEMENT**

WHEREAS Canonie Atlantic Company (the "Borrower") is or may in the future be indebted to United Virginia Bank (the "Bank"), and

WHEREAS, the Bank is unwilling to extend or continue to extend credit to the Borrower unless it receives a security interest in collateral from the undersigned (the undersigned may or may not include the Borrower) securing the obligations of Borrower to the Bank,

I. Now, THEREFORE, in order to induce the Bank from time to time in its discretion, to extend or continue to extend credit to Borrower, the undersigned does hereby grant to the Bank a security interest in the following:

Make	Body Type	Year	Model	Serial Number	Motor Number

One (1) GP8 Locomotive AAR Symbol B-B (Identification No. 1600) and

One (1) GP8 Locomotive AAR Symbol B-B (Identification No. 1603)

together with all licenses, tires, tools, equipment, accessories and other accessions now or hereafter installed in or affixed thereto and replacements thereof to the extent permitted by law (all hereinafter called "Collateral"):

TO SECURE:

(A) (Check one, if no box is checked, (1) shall be deemed checked and applicable)

(1) ☒ The payment of all indebtedness, without any limitation as to amount, however evidenced, of Borrower and all other parties thereto, and each of them, to the Bank, the Bank's parent corporation, any subsidiary of such parent corporation or any subsidiary of such subsidiary (whether now existing or hereafter organized or acquired), now existing or hereafter incurred, matured or unmatured, direct or indirect, absolute or contingent, including any extensions or renewals thereof (hereinafter called "Indebtedness").

(2) ☐ The payment of all indebtedness, however evidenced, of Borrower and all other parties thereto, and each of them, to the Bank, now existing or hereafter incurred, matured or unmatured, direct or indirect, absolute or contingent, including any extensions and renewals thereof (hereinafter called "Indebtedness"), provided however, that the maximum amount at any one time outstanding secured by the Collateral shall be limited to the sum of

Dollars (\$) plus interest and collection fees thereon, or

(3) ☐ The payment of all indebtedness of the Borrower as evidenced by a note payable to the Bank in the face amount of Dollars (\$) dated and all other parties thereto, and each of them, matured or unmatured, including any extensions and renewals thereof (hereinafter called "Indebtedness") and

(B) performance by the undersigned of the agreements hereinafter set forth and the payment of all indebtedness of the undersigned to the Bank, however evidenced.

II. The undersigned WARRANTS:

(A) the undersigned is the lawful owner of the Collateral clear of all assignments, claims, liens, or security interests of any character except those previously disclosed to the Bank in writing by the undersigned, and that the undersigned will not hereafter create any other claim or security interest in the Collateral;

(B) the undersigned is 18 years of age or older and has the right to make this agreement;

(C) the collateral is used primarily for ☐ personal, family or household, ☐ farm, or ☒ business purposes;

(D) the Collateral will be located at:

No. of Street City County State
Cape Charles Northampton County Virginia

(E) If an individual, the undersigned's home address is:

No. of Street City County State

(F) If the undersigned is a corporation, partnership, or if operating as a proprietorship, location of its chief executive office in Virginia is:

No. of Street City County State

and if a corporation, its registered office (if different from its chief executive office) is:

No. of Street City County State

(G) and if the following is checked

☐ the Collateral is being acquired by the undersigned with funds simultaneously advanced by the Bank, and such funds will be used for no other purpose. The undersigned hereby authorizes the Bank to disburse such funds to the seller of the Collateral.

III. The undersigned WILL

(A) execute such financing statements and other documents, from time to time, as may be necessary to perfect and maintain the security interest of the Bank in the Collateral, with the understanding that a carbon, photographic or other reproduction of this agreement or a financing statement shall be sufficient as a financing statement, and pay all filing and termination costs and expenses;

(B) immediately advise the Bank in writing of any change in the address set forth in either II (E) or (F) above and of any change in name, corporate structure, or identity of the undersigned;

(C) defend the Collateral against the claims and demands of all persons;

(D) insure the Collateral against all hazards requested by the Bank in form and amount satisfactory to the Bank, or if the undersigned fails to obtain insurance, the Bank shall have the right to obtain it at the undersigned's expense, and in any event, the undersigned assigns to the Bank all right to receive proceeds of insurance, directs any insurer to pay all proceeds directly to the Bank, and authorizes the Bank to endorse any draft for the proceeds;

(E) keep the Collateral in good condition and repair, reasonable wear and tear excepted, and permit Bank and its agents to inspect the Collateral at any time;

(F) reimburse the Bank for all amounts paid by the Bank (including attorney's fees) with interest thereon at 8% or the highest contract rate permitted by law (1) for taxes, levies, insurance, repairs to, or maintenance of the Collateral, and (2) in the taking possession of, disposing of or preserving the Collateral after any default hereinafter described;

(F)(i) mark in letters not less than one inch in height with the words:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED
WITH THE INTERSTATE COMMERCE COMMISSION

- (G) obtain the Bank's written consent before changing the location of the Collateral as set forth in II (D) above;
(H) obtain the Bank's prior written consent before making any disposition of the Collateral;
(I) protect the Collateral from anything that would impair its value or the value of the security intended to be afforded by this agreement;
(J) if the Collateral or any part thereof is a titled vehicle pursuant to applicable law, have the lien properly recorded on the certificate of title to the vehicle and deliver such title certificate to the Bank;
(K) appoint, and hereby does appoint, the Bank as the undersigned's attorney-in-fact to do all things and all acts which the Bank may deem necessary to perfect and keep perfected the security interest created by this security agreement, to protect the Collateral, and to sell, assign or transfer it in the event of default; and
(L) pay to the Bank the proceeds of any disposition of the Collateral or any part thereof and any payment or recovery for breach of warranty.

IV. It is FURTHER AGREED that:

(A) The undersigned may retain possession of the Collateral until default or until written notice from the Bank to the contrary, as long as it is used in a lawful manner not inconsistent with the agreements herein;

(B) regardless of where or by whom the Collateral is held, (1) neither the Bank nor its nominee shall be bound to take any steps necessary to preserve any right of the undersigned or any other person with respect to the Collateral, and this will be the sole responsibility of the undersigned, (2) the Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the undersigned shall reasonably request in writing, but no omission to comply with any such request shall be deemed a failure to exercise reasonable care, (3) the Bank shall have all of the following rights: a) to exercise the same rights and powers with respect to the Collateral as it would have if the Collateral were solely the property of the Borrower; b) to use all monies, collateral, or other security of the undersigned in the possession of or pledged to the bank, its parent corporation or any other subsidiary of such parent corporation now existing or hereafter organized or acquired, for application in payment or reduction of the indebtedness in such manner and in such amounts and at such time or times as the bank may see fit; c) to change, renew, extend, surrender, or compromise, intentionally or unintentionally, in whole or in part any security, including the Collateral, at any time held by or available to the Bank for the satisfaction of the indebtedness, or for any obligation of any other person secondarily or otherwise liable for any indebtedness of Borrower to the Bank; d) to fail to set off and to release, in whole or in part, any balance or any deposit account or credit on its books in favor of the Borrower, or of any person, and e) to extend credit to the Borrower other than that presently secured hereby, and generally deal with the Borrower or any security or other person as the Bank may see fit;

(C) UPON DEFAULT by the Borrower in the discharge of any indebtedness secured hereby to the Bank, or in the discharge of any indebtedness to the Bank's parent corporation, and subsidiary of such parent corporation or any subsidiary of such subsidiary (whether now existing or hereafter organized or acquired), or any default by the undersigned in the performance of any covenant or agreement herein, or if any warranty should prove untrue, or if for any reason the Bank should consider the Collateral to be inadequate security, the Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, including the right to repossession and all rights provided herein, or in any other applicable security or loan agreement all of which rights and remedies shall, to the full extent permitted by law, be cumulative, and THE UNDERSIGNED, HAVING KNOWLEDGE THAT THE UNDERSIGNED MAY HAVE THE RIGHT UNDER APPLICABLE LAW TO NOTICE AND A HEARING PRIOR TO ANY REPOSSESSION OF THE COLLATERAL, HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO SUCH PRIOR NOTICE OR A HEARING PRIOR TO REPOSSESSION OF THE COLLATERAL BY BANK OR ITS ASSIGNS OR BY ANY OFFICER BY LAW TO EFFECT REPOSSESSION, and the undersigned acknowledges that the Bank may require the undersigned to assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to the Bank and the undersigned;

(D) any required notice of sale or other disposition of the Collateral on default, when placed in the mail addressed to, or left upon the premises of, the undersigned at the address specified in II (E) or (F) above, or such other address of the undersigned as may from time to time be shown on the Bank's records, at least five days prior to such action, shall constitute reasonable notice to the undersigned;

(E) the undersigned hereby waives (1) notice of acceptance of this agreement and of any extensions or renewals of credit by the Bank to the Borrower; (2) presentment and demand for payment of the indebtedness; (3) protest and notice of dishonor or default to the undersigned or to any other party with respect to the indebtedness; (4) all other notices to which the undersigned might otherwise be entitled; and (5) the benefit of the Homestead Exemption;

(F) the undersigned further waives any right to require that any action be brought against the Borrower or any other person, to require that resort be had to any security or to any balance of any deposit account or credit on the books of the Bank in favor of the Borrower or any other person, and further agrees that the undersigned shall not be subrogated to and will not enforce on the part or behalf of the undersigned, any right of action which the Bank may have against the Borrower until every indebtedness secured hereby shall have been paid in full;

(G) each reference herein to the Bank shall be deemed to include its successors and assigns, in whose favor the provisions of this contract shall also inure, likewise, each reference herein to the undersigned shall be deemed to include the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned, all of whom shall be bound by the provisions of this contract;

(H) the term "undersigned" as used herein shall, if this instrument is signed by more than one party, mean the "undersigned and each of them" and each undertaking herein contained shall be their joint and several undertaking, and if any party hereto shall be a partnership, the agreements and obligations on the part of the undersigned herein contained shall remain in force and applicable notwithstanding any changes in the individuals composing the partnership and the term "undersigned" shall include any altered or successive partnerships and the predecessor partnerships and their partners shall not thereby be released from any obligation or liability;

(I) no delay on the part of the Bank in exercising any right hereunder or failure to exercise the same shall operate as a waiver of such rights and furthermore no notice to or demand on the undersigned shall be deemed to be a waiver of the obligation of the undersigned or of the right of the Bank to take further action without notice or demand as provided herein, no waiver of any default hereunder shall be a waiver of any subsequent default, nor in any event shall any modification or waiver of the provisions of this contract be effective unless in writing nor shall any such waiver be applicable except in the specific instance for which given;

(J) if all indebtedness of Borrower to the Bank is secured hereby, then this security agreement shall be a continuing agreement and shall remain in full force and effect irrespective of any interruptions in the business relations of the Borrower with the Bank and shall apply to any ultimate balance which shall remain due by the Borrower to the Bank; provided, however, that the undersigned may by notice in writing, delivered personally to or received by registered mail by, an officer of the Bank at the Bank office at which this security agreement was delivered terminate this agreement with respect to all indebtedness of the Borrower incurred or contracted by the Borrower or acquired by the Bank after the date on which such notice is so delivered or received.

(K) this contract shall not be construed to impose any obligation on the Bank to extend or continue any credit at any time; and

(L) this contract shall be governed by and construed under the laws of Virginia.

DATED this 3 day of OCTOBER, 19 85

2429 Ferry Road

Street and Number

Virginia Beach

Virginia 23455

City

County

State

United Virginia Bank

5 Main Plaza East

Norfolk, Virginia 23501

ATTN: Mr. Thomas L. Kiehl, Senior Vice President

CANONIE ATLANTIC COMPANY

By: [Signature]

UNITED VIRGINIA BANK

CRE 107 STWD (REV. 7/80)

By: [Signature]

STATE OF VIRGINIA

CITY ~~OR~~ COUNTY OF NORFOLK, to wit:

On this 3 day of OCTOBER, 1985 before me personally appeared, Leo G. Mackeller, to me personally known, who being by me duly sworn, says that he is the Treasurer of Canonic Atlantic, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Stacey J. Vellies
Notary Public

My Commission Expires:

11-30-85